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CO-OPERATIVE ACTION
IN RURAL LIFE

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Report on

SYSTEMS OF AGRICULTURAL CREDIT AND INSURANCE

submitted by M. Louis Tardy, Honorary Director of the
Caisse nationale de Crédit agricole, Paris.

(Ser. L.o.N. P. 1938.II.A.24.)

viii, 116 pages

2/6 \$0.60

An enquiry into systems of agricultural credit and agricultural insurance. The report is accompanied by a number of brief monographs relating to the working of agricultural credit in about forty countries.

In the conclusions to his report, M. Tardy points out that farmers, to be able to carry on and to ensure agricultural prosperity, must have the support of a properly organised system of agricultural credit with adequate funds. He makes a series of recommendations and adds certain observations based on his enquiries in various European countries.

SURVEY OF NATIONAL NUTRITION POLICIES, 1937/38

(Ser. L.o.N. P. 1938.II.A.25.)

120 pages

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This volume supplements the works hitherto published by the League of Nations on the problem of nutrition. It contains much interesting information collected from official sources in a large number of countries. It is a study from which experts can learn what is being done in other countries than their own. At the same time, the Survey is written in a style which is readily comprehensible to the ordinary man or woman and is therefore of interest, not only to those directly concerned with the problem of nutrition, but also to the general public.

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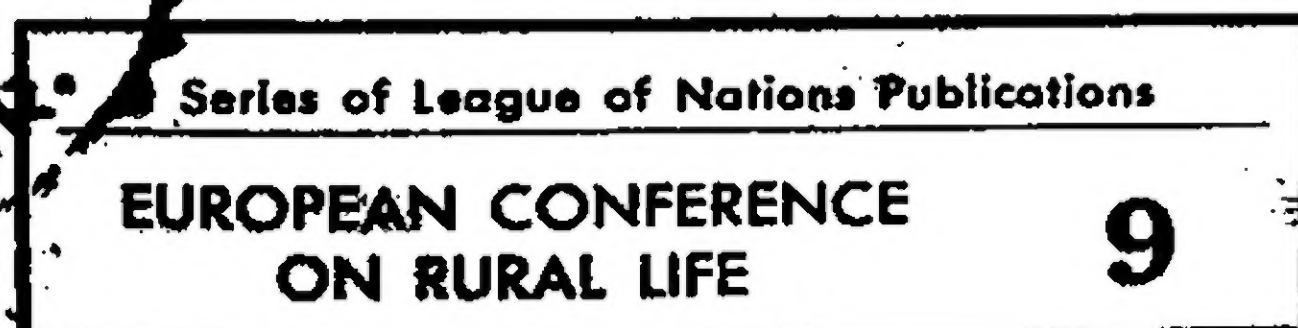
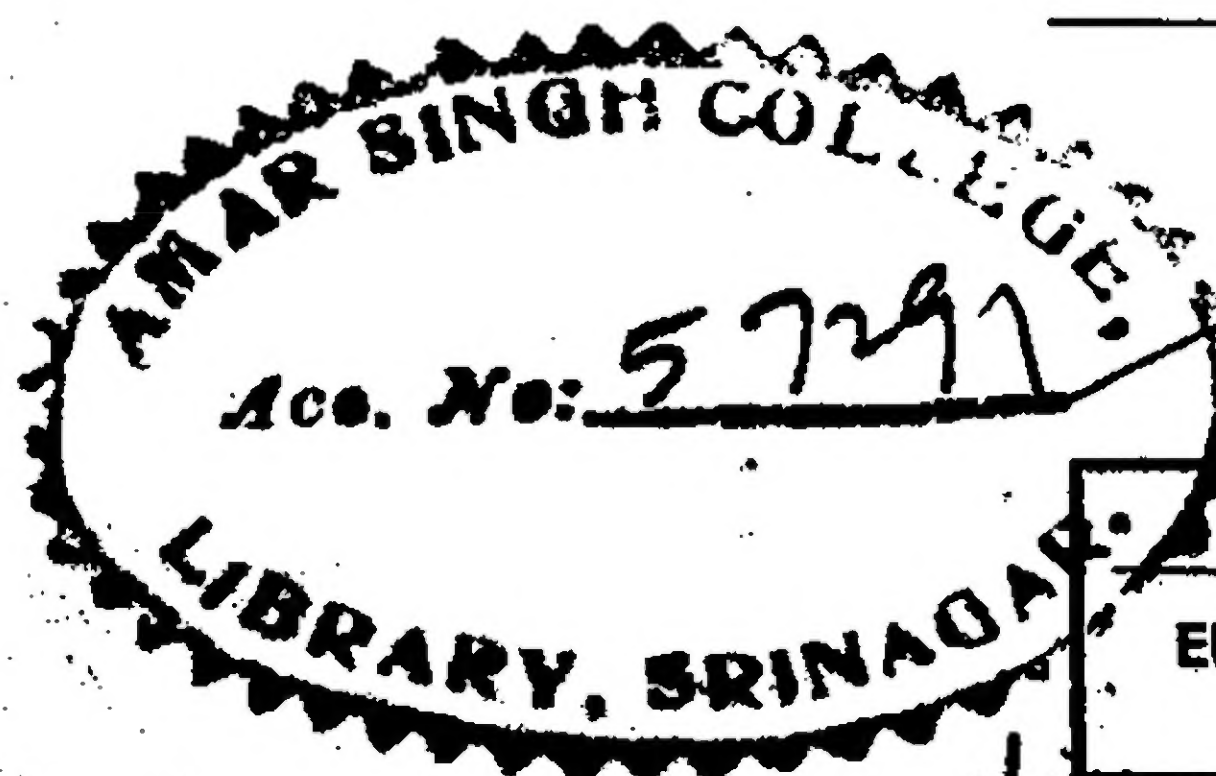
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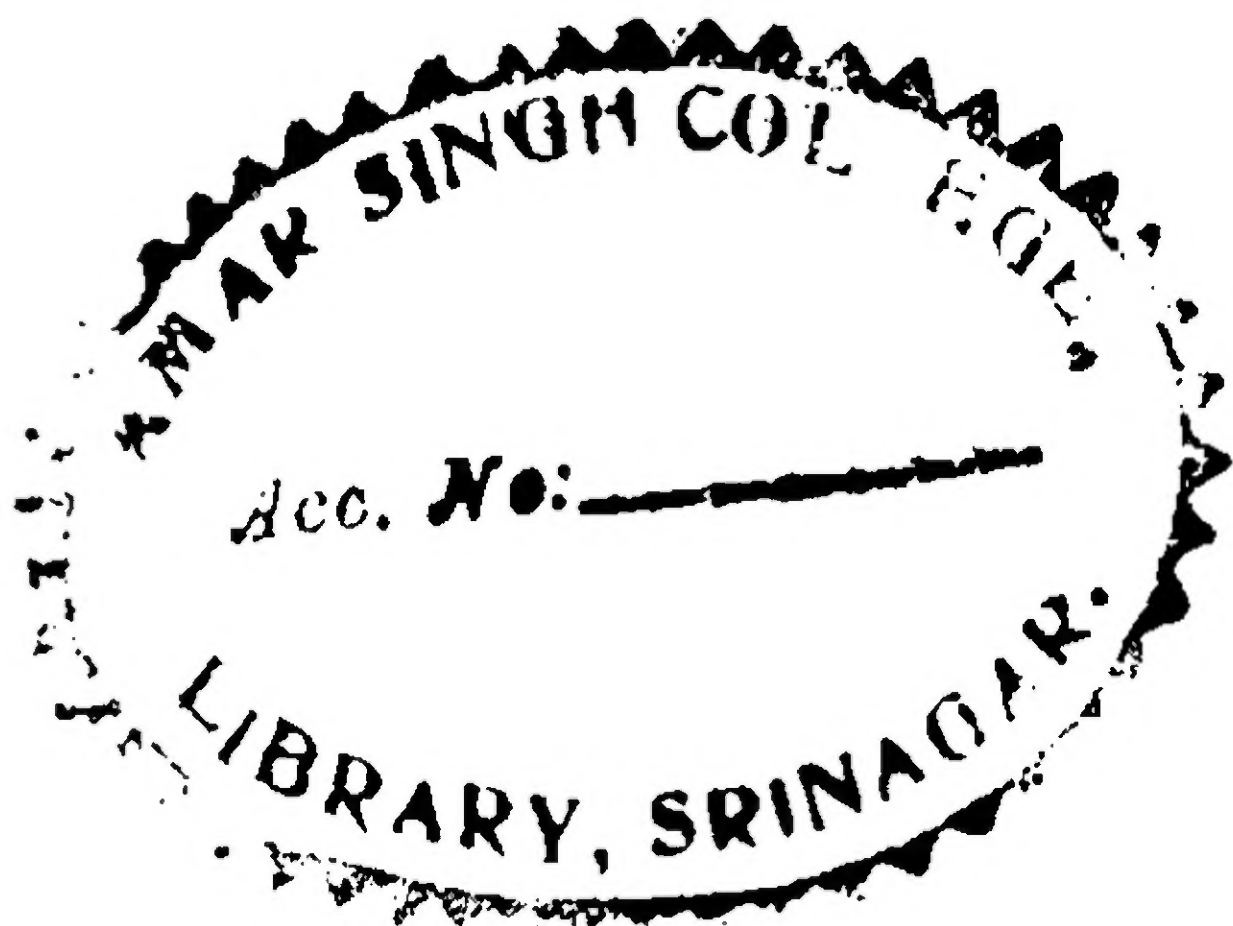
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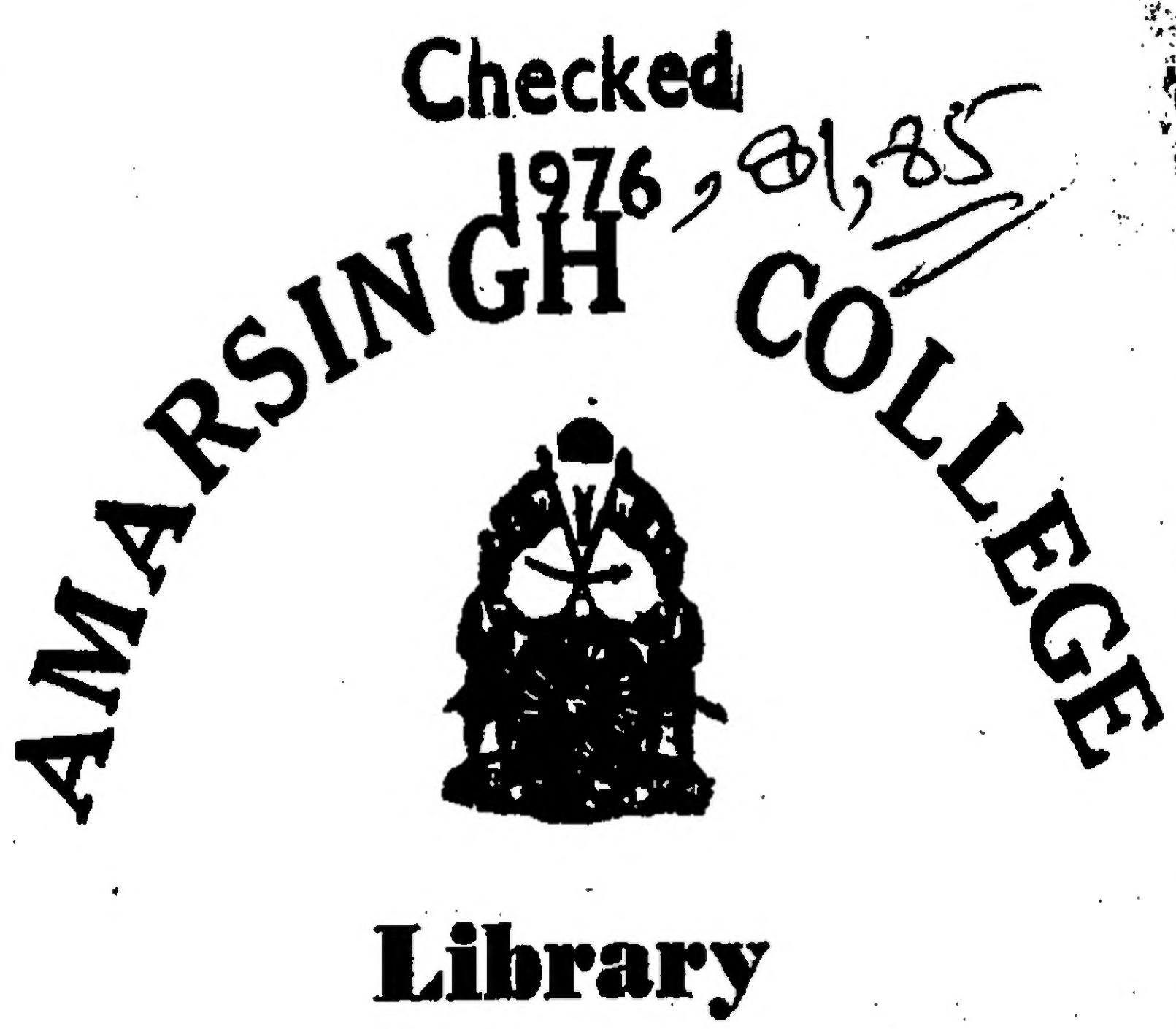
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CO-OPERATIVE ACTION IN RURAL LIFE

INTRODUCTION

Co-operative action gives proof of such flexibility and has so rich a variety of forms that it is difficult to express in general terms the contribution which such action makes or may make to an improvement in the living and working conditions of the inhabitants of rural areas.

Clearly, the only method of dealing with the subject is to review the characteristics of co-operative organisation which enable it to be distinguished from both the capitalist undertaking aiming at profit and from the disinterested institution set up and conducted by a philanthropic or public body. It may therefore be of value to offer the following definition first of all : a co-operative society is an association of the economically weak who, voluntarily associating on the basis of equal rights and equal responsibility, transfer to an undertaking one or several of their economic functions corresponding to one or several of the economic needs which are common to them all but which each of them is unable fully to satisfy by his own individual efforts, and manage and use such undertaking in mutual collaboration to their common material and moral advantage.

Advanced merely as a suggestion, this definition may not only serve to correct a number of false though widely held ideas but also help to throw light on the character of co-operative action and the conditions to which it is subject. For it is the essential character of co-operative organisation which determines its laws of existence and development ; these are based on the necessities and rules of conduct which dictate the relations of the members between themselves and with the undertaking, the manner in which the undertaking is conducted and the relations between one co-operative society and another. These rules and necessities include the following : the moral bonds of solidarity and equality between members ; the co-ordination of individual efforts in joint activity ; the democratic control of management by the persons concerned ; freedom with responsibility in management ; conduct of business at cost price by distribution of the annual surplus among the members in the proportion in which each has contributed to build up that surplus ; federal structure of the larger units constituted freely from below by the co-operative societies themselves.¹

¹ Reference should be made here to the penetrating analysis given by Dr. Fauquet, former chief of the Co-operative Service of the International Labour Office, in his book : " *Le Secteur coopératif : Essai sur la place de l'homme dans les institutions coopératives et de celles-ci dans l'économie* ". Brussels, 2, place de Ninove, 97 pages.

Nevertheless, though the purpose and the essential character of co-operative organisation are closely bound up together and though the typical, general structural features reflect the underlying aim, a review of these essential characteristics is not sufficient to provide a complete picture of the part played by co-operation in every field of action and in all its forms.

The form and scope of co-operation, indeed, vary widely. They are related to the general geographical, demographic, economic and social conditions of each country, and to the more particular conditions obtaining in each region and at each date considered ; and they depend, *inter alia*, on the supply of capital, the land tenure system, the methods of cultivation, the type of crop and the destination of the products (for a more or a less closed economic unit, for near or distant markets, etc.).

The above remarks will serve to direct the present report, which consists of two parts : the first states the principal functions which co-operative organisations are capable of performing in rural districts and—as far as possible—the extent to which they actually perform these functions in the different European countries ; the second examines some of the methods by which co-operative and government action have been co-ordinated during recent years.

It may be pointed out that this plan coincides with one of the objects mentioned in a memorandum prepared by Professor N. F. Hall on measures of a national or international character for raising the standard of living.¹

Professor Hall brings out the principal elements in the problem of rural recovery—namely, apart from the development of local communications, provision of credit, improvement in the technical knowledge of producers, improvement in methods of production (cheap fertilisers, selected seed and stock, equipment), provision or expansion of storage facilities, establishment of processing industries, better organisation of marketing, etc. He then adds, referring more particularly to the rural credit co-operative societies and co-operative marketing societies, that they :

“ . . . by combining the provision of capital with the services of technical experts having specialised knowledge in the production and marketing of crops, are likely to be able to play a particularly valuable rôle in linking together the policies of Governments with the needs of individual farmers.”

To provide a few illustrations of this statement is the modest aim of the present report.

¹ Economic Committee of the League of Nations, 1938, Ser. L.o.N. P. 1938.II.B.4.

I. ECONOMIC AND SOCIAL FUNCTIONS OF CO-OPERATIVE SOCIETIES IN RURAL LIFE

I. THEIR RÔLE IN THE ORGANISATION OF RURAL ECONOMY

Co-operative organisations are to be found in rural areas in a very great variety of forms. This is not only because the needs for which they cater are numerous and because the satisfaction of these needs depends on highly various general and local conditions; it is also because one and the same co-operative society often performs several functions at a time, so that the resulting combinations of functions may be extremely diverse.

For this reason, instead of examining the different categories of rural co-operative institutions reduced to a number of abstract types, it will be preferable to review those of their functions, or at least of their principal functions, which correspond to the different economic requirements of the rural population—employment, credit, technical means of production, marketing, establishment of accessory occupations and incomes, insurance of life and health or of property, equipment of the rural community, etc.

Acquisition of Independent Status.

Those agricultural workers who have only their labour force to apply to the land find in certain forms of co-operation a possibility of employment and often the means of rising to the status of small-holder. These forms may be :

1. *Co-operative allotment societies*, which are analogous to certain co-operative housing societies and aim at transferring to their members, as the latter's property, pieces of land which they have bought in larger lots ;

2. Co-operative societies which buy or hire land in order to *rent* it in smaller lots to their members.

These two forms of co-operatives may be used for the application either of land reforms or of Acts to encourage small-holding, and have actually been so used in Czecho-Slovakia, Finland, Hungary, Poland, Roumania and Yugoslavia.

3. When, for reasons of a technical or demographic sort, a landed estate cannot be divided, co-operative societies for *joint cultivation* step in and keep the undertaking whole while providing for its collective working.

Between the co-operative societies which permit acquisition of an individual or family holding and those which preserve or establish big farms by collective means, there are transitional forms, mixed forms in which each member does certain operations on his own account in the holding allotted to him, whereas others are done jointly with the aid of common equipment.

At one or other of these two extremes, or between them, the methods used varying so that strict comparison is excluded, the following associations may be placed : in Spain, the "collectivities" (the Congress of the Central Union of Agricultural Co-operative Societies, held in Valencia from September 19th to 22nd, 1938, referred to 123 of these) ; in Italy, the *braccianti* co-operatives, the settlers' co-operatives, etc., which may be grouped under the general term "co-operatives for agricultural work" (there were 399 of these in 1935, cultivating 115,000 hectares, and 350 in 1936 cultivating 110,000 hectares and having 45,000 members) ; and, in the Soviet Union, the collective farms, 243,700 in number, which include about 90% of the rural population (1937).¹

But the acquisition of independent status, whatever its form, is not a panacea. On the contrary, while opening up new possibilities and prospects, it raises new problems too, for the land throws back into dependence and poverty those who have not the means to take advantage of it. Co-operative organisation brings within the reach of the small individual holding and places at the disposal of the big collective farm the financial means and technical equipment which are indispensable to them and which, without such organisation, could only be obtained by the great landowners. As no Government is in a position to supply all the needs of agriculture, there is no exaggeration in saying that the success of land reform schemes and of migration for settlement has depended and will continue largely to depend on the extent to which it has been and will be possible to develop co-operative institutions.

Credit.

Those co-operative societies which, with or without accessory functions, organise and attempt to satisfy the need for credit in rural districts, are by far the most widespread type.

The following table shows that over 59,000 of these societies, covering 7½ million holdings, are known to exist in twenty-two European countries.

¹ There are groups of a similar type in the United States, where some co-operatives have amalgamated several individual farms so as to be able to work them collectively by mechanical means, in France, in India, in Mexico (*ejidos*), in Palestine (*Kvutsoth*), etc.

Number and Membership of Co-operative Societies providing Credit.

Country	Year	Number of societies	Members
Belgium	1936	1,099	81,780
Bulgaria	1935	1,703	167,820
Czecho-Slovakia	1937	5,334	887,018
Denmark	1937	44	21,356
Estonia	1937	242	105,443
Finland	1937	1,163	145,438
France	1936	6,050	586,372
Germany	1936	18,121	1,997,382
Greece	1937	4,414	
Hungary	1936	1,008	421,507
Ireland	1937	90	8,227
Italy	1937	2,372	481,742
Latvia	1936	275	106,115
Lithuania	1937	322	111,587
Luxemburg	1937	71	8,576
Netherlands	1936	1,299	234,000
Poland	1936	4,961	777,000
Roumania	1936	4,269	806,633
Sweden	1937	785	93,170
Switzerland	1937	640	59,509
Turkey	1937	663	107,324
Yugoslavia	1936	4,567	416,667
Total		59,493	7,624,666

Often these tiny village banks have no other premises than the secretary's or treasurer's home, and there is no external sign of their existence. The operations they conduct are modest when considered one by one, but they are numerous and the total transactions amount at the end of the year to a considerable figure. For instance, the general turnover of the rural credit co-operative societies in Belgium was over 1,000 million francs (1936); in Germany, over 34,000 million marks (1936); in Hungary, nearly 2 million pengö (1936); in Italy, nearly 3,800 million lire (1937); in Latvia, 150 million lats (1936); in the Netherlands, nearly 1,500 million florins (1936); and in Switzerland, 665,700,000 francs (1937).

The growth of rural co-operative credit societies not only proves the imperious need for short and medium term credit felt by the small-holder; it also brings out the eminent fitness of co-operation to satisfy this need.

Save in a very small number of countries, where exceptional circumstances have arisen, ordinary banks cannot take an interest in loans to the peasant class, which involve the unprofitable keeping of a mass of small accounts for modest transactions. The State may be an unselfish lender; but when it ventures to distribute credits direct to small-holders its aid is

often ineffective or misdirected. Almost all the experiments made in this direction have had to be abandoned.

The virtue of the rural credit co-operative society lies, not only in its disinterestedness, but also in its proximity to those for whose needs it must cater, the simplicity and efficacy of its mechanism and the security of its transactions. Suited to the scale on which it works, the institution is usually small and can act almost without running expenses. It allows personal loans on the security, not of the borrower's possessions, but solely or mainly of his power of work, his sobriety and his ability to save. It can lend with its eyes open, for all its members know one another, are able to appreciate the real needs of each and how far each is solvent, and can ascertain whether the loan given is really used for its ostensible purpose. It will lend with caution, for its debts are guaranteed by the joint responsibility of all its members. Its resources are in part its members' economies, sometimes with the savings deposits of other persons, and in part bank credits, which would be refused to any of the small-holders individually but are easily obtained by the united group. Often the Government, realising the perfect fitness of credit co-operative societies for the functions they perform, distributes through them the credits allowed to agriculture.

Credit co-operative societies have done more than anti-usury laws—which are too easily evaded, with the connivance of the borrowers themselves—to suppress the usurer, who, were it not for co-operation, would in many countries be the sole and therefore the indispensable supplier of the credit required. Where he still exists, the usurer is as a rule not only a money-lender but also the village trader, who collects and markets the crops of his debtor-customers and provides them with the consumption goods, seeds and fertilisers which they need. He can be eliminated only on condition that he is replaced, and replaced, not only in one of his functions—supplying credit—but in all the useful functions he performs. This view has been more than justified by experience, and experience has led a great number of credit societies to organise the supply of their members or even the marketing of the 'latters' products. Another solution, generally considered preferable, is the setting-up in the rural community, beside the credit co-operative societies, of other more or less specialised and homogeneous co-operative institutions for each of the needs to be met. These are the institutions which must now be passed in review.

Technical Means of Production.

In agriculture as in other industries, economic and social progress is to a large extent conditioned by progress in technique; it is therefore natural that, in almost every country, the peasants belonging to co-operative institutions have attempted to reduce

costs of production and to improve the quality of their products so as to increase the value of these and consequently to raise their standard of living while retaining their economic independence.

The societies for the *supply* of the commodities required in agriculture are indeed one of the oldest forms of co-operation in rural areas. It was for instance in defence against the dealers in fertilisers that the French farmers' co-operative movement first took shape (the agricultural associations—*syndicats agricoles*).

As a rule, the same organisations undertake to supply their members with *forage*, *fertilisers*, *seed*, the usual *agricultural implements*, and sometimes *machines* (by sale in the case of the simpler and less expensive machines, by hire in the case of those which are not used throughout the year or are too expensive to be purchased by small-holders). It is indeed not rare to find these organisations also marketing certain of their members' products as a more or less subsidiary activity.

The following are a few figures, for most of the European countries, showing the number and importance of the co-operative societies which perform, *inter alia*, the function of supply :

Co-operative Societies performing the Function of Supply.

	Year	Number of societies	Membership	Value of goods supplied (in national currency)
Belgium	1937	2,533		
Bulgaria	1934	1,300	160,000	Leva 169,284,357
Czecho-Slovakia	1936	326		Kč 1,500,000,000
Denmark	1937	3,129	158,176	Kr. 190,789,000
Estonia	1937	183	46,278	Ekr. 45,163,961
Finland	1937	571 ¹		Fmk. 453,400,000
Germany	1936	3,313	435,342	RM. 394,633,000
Hungary	1936	1,480	568,535	Pengö 32,386,286
Iceland	1936	36	8,239	Ikr. 6,446,696
Ireland	1937	93	20,704	£ 587,351
Italy	1935	701	750,000	Lire 1,300,000,000
Latvia	1937	161	24,719	Lats 30,038,940
Lithuania	1936	180	21,026	Lit. 55,560,000
Luxemburg	1937	408	19,588	
Netherlands ..	1937	500	65,000	Fl. 45,000,000
Norway	1937	1,969	69,460 ²	Kr. 57,085,100 ²
Poland	1936	3,418	367,257	Zl. 180,130,000
Roumania	1937	1,258	123,153	
Sweden	1937	786	44,600	Kr. 63,100,000
Switzerland ..	1937	1,100	110,000	Fr. 39,137,252 ²
Yugoslavia	1935	1,900	250,000	Din. 490,838,000
Total		25,345	3,242,077	

¹ These figures apply only to the Central Co-operative Purchasing Society (Hankkija) ; it should be pointed out also that, in Finland, all the consumers' co-operative societies acting in the rural areas supply their members with fertilisers, seed, forage, implements, etc.

² For twelve large societies only.

² For 313 societies only.

An indication, where this is possible, of the ratio of the value of the transactions of these societies to the total transactions conducted in the same commodities in the respective countries will throw more light on the importance of the part already played by some of these co-operative organisations in rural areas.

In Denmark, the co-operative societies supplied 44% of the demand for forage and 37% of the demand for fertilisers in 1935. It should be pointed out that, in Denmark, agricultural co-operative purchasing societies specialise in individual products : the 1,536 forage co-operative societies, with 83,500 members, had a turnover of 137,144,000 crowns in 1937 ; in the same year, there were 1,458 societies for the purchase of fertilisers, with 55,800 members and a turnover of 25 million crowns ; and there are even societies specialising in the production and supply of selected seeds (132 societies, 4,335 members, turnover of 5,646,000 crowns in 1936). Mention must also be made of a central society which purchases coal for 1,043 local societies, a cement factory to which 1,133 societies now belong (founded by 380 societies in 1913 to fight a trust which was artificially keeping prices very high), and a society for the purchase and construction of dairy machines.

In Estonia, the co-operative organisations are responsible for 80% of all imports of fertilisers and 50% of imports of agricultural machines. In 1935, the imports of the Estonian Co-operative Wholesale Society accounted for 10% of all the imports into the country.

In Finland, in 1937, the co-operative organisations supplied from 40% to 60% of the farmers' demand for fertilisers and forage, 75% of the demand for seed, and from 75% to 90% of the agricultural and dairy machines. The Central Co-operative Purchasing Society (Hankkija) itself produces seeds and seedlings (its centre for the production of selected seeds is the only establishment of the kind in Finland) ; and, since 1918, it has had its own factory for the manufacture of agricultural and dairy machines.

In Latvia, in 1937, the relative importance of the Central Co-operative Federation (Turība) on the market in agricultural necessities may be defined as follows : 90% for fertilisers, 85% to 90% for dairy machines, 80% for forage, 65% to 70% for agricultural machines, etc.

In Lithuania, the Central Union of Agricultural Co-operative Societies handles the whole trade in fertilisers and 50% of the cement.

For Norway, it will suffice to say that between 50% and 60% of all farmers are members of the general agricultural co-operative societies.

In Sweden, in 1935, the general agricultural co-operative societies supplied about 25% of the demand for forage and 34%

of the demand for fertilisers. The consumers' societies, the membership of which includes 90,000 cultivators, also supply forage, fertilisers, agricultural implements and machines in the rural areas.

Except in the case of seeds and fertilisers, the societies specialising in the supply of given means of production do not appear in the preceding table. Reference must therefore also be made, besides the societies for the *supply of vegetable requirements*, to those which specialise in the *selection of live-stock* (stock-raising societies or associations). The object of these organisations is to place at the disposal of small-holders high-class sires, the use of which can be shared by all but which are too expensive to be acquired by individuals.

Such societies abound in most of the countries where cattle, sheep, pigs, horses or mules are raised. In Switzerland, for instance, there were 1,530 of these for cattle alone in 1937 and several hundred for the other species, while Finland had 1,500, Latvia 79, Luxemburg, 98, etc. Germany had 428 in 1936. The statistics for 1935 showed 4,183 in Sweden, including 2,228 for cattle and 1,397 for pigs. In the dairy countries the work of these stock-raising societies or associations is more or less closely related to that of the milk-testing societies or associations, which aim at the elimination of animals with a low yield of milk or butter, and supervise at the farms the feeding of the cattle, the treatment given to them, the conditions of milking and the collection and preservation of milk, as well as issuing certificates of origin for young animals of good stock.

Many agricultural associations or general co-operative societies enable the small-holders who are their members to acquire at cheap rates the commoner agricultural implements or to use the most modern machines on a collective basis; but this function is sometimes taken over by special co-operative societies. There are at present 236 machine co-operative societies in Latvia; there were 64 in Yugoslavia in 1933, 400 in Finland in 1935, 133 in Lithuania and 460 in Switzerland in 1937; Germany had 800 co-operative threshing societies in 1936.

Sometimes these societies even constitute separate federations. This has occurred in Estonia, for instance, where the Federation of Co-operative Societies for the Use of Machines had 283 affiliated societies in 1937, and in France, where the National Federation of Threshing Associations and Co-operative Societies had 670 affiliated societies in the same year. Or again, the central agricultural co-operative organisations of a general character may have special sections for machines—this is the case, for instance, with the Hankkija in Finland and the Hangya in Hungary.

Another factor promoting technical progress in rural areas is the supply of power. The relative costs of threshing one

hundredweight of rye by a worker using a flail, by two horses turning a crank thresher and by a thresher with electric power may be represented by the figures 60, 10 and 3. But the problem of bringing electricity to the village is a difficult one, since the costs of installation are considerable and tend to discourage private undertakings, whose object is to secure a yield on their capital.

Electricity co-operative societies, whether they simply distribute the current or—as is sometimes the case—produce it themselves, have helped to solve this problem. As these organisations are not widely known, it may be of value to review rapidly some of the forms they take.

In Czecho-Slovakia, there are three different types of electricity co-operative societies.

Some produce and distribute the current themselves. The most important of these, at Drazicé, has one of the biggest electricity works in Central Europe. The electricity societies of this type are relatively rare and tend to disappear as rural electrification proceeds in a systematic way.

Other societies buy the current from a producing unit and distribute it with their own plant.

The largest number, however, collaborate in the financing and working of the public-utility electricity undertakings set up by the Act of July 22nd, 1919. These undertakings are a sort of public co-operative service administered jointly by the central Government and the provinces, local authorities and local co-operative societies directly interested. The financing of the construction of each electrified sector must be undertaken largely by the users themselves—*i.e.*, as a rule, by their associations and by public bodies. It is with this object that the individual consumers of current join together in co-operative societies, which raise the necessary money; the financial contribution which they make is converted into shares in the public utility undertaking, and they participate in its technical and financial administration.

There were 2,122 electricity co-operative societies in Czecho-Slovakia; in 1937, they have contributed most actively to the electrification of the villages.

In Sweden, the electricity co-operative societies undertake the distribution of current only, and their structure is simpler. They include farmers and other users, who subscribe the shares constituting the societies' capital or guarantee loans obtained from special Government funds or contracted with banks. The amount subscribed by each member depends on the area of his land or the number of rooms in his dwelling.

Each society concludes a contract with the water-power authorities for the supply of current, constructs the overhead lines, purchases transformers and connects its members' farms

or other premises with the supply. Employees of the societies are responsible for maintenance and supervision of the lines and for repairs to the consumers' apparatus.

These societies are assisted by the advice of the water-power authorities. Many of them have already paid off the whole of their debts and can supply current at a very low rate. Further, it has been observed that the possession and administration of their own undertakings for the distribution of electrical current has made the associated consumers "electrically minded"¹—that is to say, developed among them an understanding of the problems of distribution and thus trained them to collaborate actively in their solution.

The proportion of all Swedish rural undertakings provided with electric power is 60%, including 50% belonging to electricity co-operative societies; these numbered 1,862 in 1935.

Electricity co-operative societies are to be met with in about a dozen European countries, and there are naturally variations in their structure and operation; but their general characteristics resemble more or less closely either the simpler or the more complex forms briefly described above.

In Germany, where 80% of rural undertakings have electric current, there were 4,808 electricity co-operative societies with 411,847 members and a turnover of 31,188,000 marks in 1936. Their members were recruited from all classes of the population; farmers and small-holders provide 64% of the membership, and inside this group holders of less than 20 hectares occupied the first place (80% of the total). There were twenty-four societies of the same sort in Estonia in 1937. In Finland, such societies are included in statistics under the same heading as co-operative mills and saw-mills, which totalled 250 societies with 15,000 members and a turnover of 15 million Finnish marks in 1935. In France, where 80% of the rural population has electricity, there were forty-seven "collective agricultural electricity societies" with 447,267 members in 1937. In Hungary, the electricity co-operative societies provide current for 2% of the rural population. In Italy, there were recently 264 societies of this sort; Latvia had eight in 1937 and Poland twenty-one in 1934. In Switzerland, there were 300 societies with 85,000 members in 1937, but these are not predominantly rural in character.

The electricity co-operative societies sometimes supply their members with household electrical appliances, incandescent lamps, etc.—articles which are also provided by some of the general agricultural supply societies. Hankkija, the Finnish Central Co-operative Purchasing Society, even has a special department for electrical apparatus.

¹ Graeme HALDANE in "Democratic Sweden", edited by Margaret Cole and Charles Smith. London, George Routledge & Sons, 1938.

With regard to the distribution of another source of power, it may be noted that, in the United States of America, the co-operative societies for the *supply of petrol* play an important part of the same kind.

An analogy may be made between these various categories of co-operative societies, thanks to which the small-holders can obtain the technical means of production, and institutions the object of which is to bring the soil into a fit state for cultivation and stock-raising. The co-operative societies for *land improvement*, drainage, irrigation—seldom grouped in special federations and in some cases functioning only during a short period for clearly defined tasks—generally elude the statistician, but nevertheless they are sometimes of considerable importance in rural districts. The following information relating to the *Meliorationssyndikate* in Luxemburg, may be taken as typical, with only slight differences of detail, of some of the *associations syndicales* in France, the *wateringues* in Belgium and similar organisations in other countries.

The object of these associations is to undertake and maintain the following works : protection against floods ; cleaning and correction of watercourses and of irrigation and draining canals ; drying of marshes and of marshy or unhealthy land ; irrigation and earthworks ; draining ; construction of local roads and any other work to improve cultivation in the common interest. Some of these associations are “ voluntary,” others “ authorised ”. The voluntary associations may only include the persons who join them of their own free will, and are set up without official intervention. The authorised associations, on the other hand, are set up by the authorities, either on their own initiative or at the request of the persons concerned ; membership is often compulsory for some of the members.¹

In Estonia, there were 500 land improvement co-operative societies with 20,000 members in 1937 ; there were 399 with 46,000 members in Italy in 1934, and 205 with 14,351 members in Switzerland in 1930 ; the number in Czecho-Slovakia may be estimated at about 3,000.²

¹ Dr. CARLO-HEMMER : “ Die Genossenschaften der Bauern und Winzer im Grossherzogtum Luxemburg ”. Luxemburg, 1936.

² Sometimes these societies are found undertaking large-scale operations affecting a big region, as the following example, taken from a country outside Europe, will show. For three-quarters of a century the farmers of certain districts in the south-eastern United States have struggled against erosion, each in his own manner and on his own farm, and have striven to save their land without success. Since 1930, the co-operative societies from Alabama to Virginia, aided by the soil conservation authority and by information services, but using and organising the combined forces of the persons concerned, have taken a leading part in protecting the soil, particularly by constructing terraces with the help of a specially adapted plant, which is too expensive for the individual farmers.

Domestic Supplies.

The collective purchase and distribution of goods for consumption and for domestic use in rural households (provisions, fabrics, shoes, hardware and other household articles) are undertaken by different types of co-operative societies in different countries and regions.

Usually the general agricultural associations or co-operative societies mentioned above, which provide their members with seed, fertilisers, forage, tools, etc., also provide them with articles for domestic consumption. Their activity in this field is considerable. In Estonia, for instance, these societies are responsible for 40% of the national imports of sugar; in Latvia, they distribute 55% of the salt, 18% of the sugar and 32% of the herrings consumed throughout the country, and, in Lithuania, 92.5% of the salt and 45% of the mineral oil passes through the hands of the Central Union of Agricultural Co-operative Societies.

In the Baltic countries, Finland, Hungary and Switzerland, these general agricultural associations or co-operative societies take in practice such a large place in the distribution of consumption goods that they are veritable rural consumer's co-operative societies, and sometimes indeed they bear this name.

In Hungary, the Hangya calls itself "Co-operative Society for Production, Sale and Consumption"; besides building materials, agricultural machines and tools and other agricultural necessities, it supplies the following merchandise: groceries and other provisions, stationery, fuel, chemical products, paints, hardware, glassware, china, electrical requirements, haberdashery, ready-made clothes, shoes, etc.

In Switzerland, the turnover in consumption goods represented 43.37% of the total turnover for 1935 of one of the big federations of agricultural co-operative societies, that of East Switzerland (Winterthur); their turnover in articles required for farming accounted for 31.98%, the remainder corresponding mainly to the sale of crops.

Lastly, in the predominantly agricultural countries or those where agriculture plays an important part in the national economy, the consumers' co-operative societies proper function in the rural areas; sometimes they originated there, in other cases they are urban consumers' societies which, as they developed, came into contact with the rural population and adapted themselves to its needs. In each case, farmers and smallholders form an important part of the membership of these societies: 17% to 20% in Bulgaria, 51% in Denmark, 46% in Finland, 32% in Norway (though this class represents only

29.9% of the total population), 29.2% in Poland and 19% in Sweden. In Iceland, almost the whole rural population is organised in the co-operative movement.

Marketing.

In so far as the small-holder does not produce for the needs of his household alone, the conditions in which he can bring his crop on to the market will determine the payment—fair or the reverse—which he receives for his labour. Only products of high quality obtain a remunerative price; and even these must not be marketed in the same lot with products of inferior quality, for, if so, the price of the inferior products will tend to determine that of the entire lot. Particularly if destined for a distant market, products must be carefully sorted, classified by types and qualities and presented in large quantities of uniform goods. The problem is by its very nature insoluble for isolated small producers. Moreover, the latter are most often ill-informed of prices, formalities and rates of transport, the state of the real demand in the centres of consumption at a given date, etc. Here again, co-operative organisation gives the small-holder all the advantages which capital places at the disposal of the large landowner. Further, by securing the technical and economic co-ordination of the countless units of agricultural life, it renders practicable and utilises on behalf of these small units all the methods of simplifying procedure and of reducing costs for which integration always opens the way.

The function of marketing is performed to a large extent by many of the general agricultural co-operative societies described above. These organisations, which, together with the rural credit societies, constitute one of the most widespread types of co-operative organisation, are in fact multiple co-operative societies, real "village shops" in a co-operative form, whatever name they bear (village co-operative society, agricultural supply society, agricultural purchasing and sales society, etc.).

In Germany and Sweden, the sales of members' produce account for nearly half the total turnover of these societies: in Germany (1936), 344,581,000 out of a total of 739,214,000 marks; in Sweden (1937), 51,500,000 out of a total of 114,600,000 crowns. In Iceland, the total value of marketing operations even exceeded that of purchases in 1936—7,617,996 crowns for marketing as against 6,446,696 crowns for purchases. In Switzerland, 60% of the general agricultural co-operative societies sell the products of their members, and operations of this sort accounted—to take only one instance—for 23.2% of the total turnover of the Federation of Agricultural Co-operative Societies of Eastern Switzerland in 1935. In Lithuania,

the general agricultural co-operative societies collect much of one of the most important national products, flax; and the central union of these societies handles 45% of all the flax fibre which comes on the market. In Poland, 20% of the grain exported in 1936 came from the general agricultural co-operative societies. In Czecho-Slovakia, the co-operative societies of this type provided 60% of the grain bought by the Czecho-Slovak Grain Company, which holds a monopoly.

Nevertheless, especially in the countries where agriculture is more or less definitely directed towards export, and particularly in respect of products for export, co-operative organisations tend to specialise in separate products—dairy produce, eggs, meat, fruit, wine, etc.

Dairy Produce.—Some characteristic numerical data concerning the co-operative dairies, most of which are undertakings for the transformation of milk into butter, cheese, etc., will be found in the following table :

Co-operative Dairies.

Country	Year	Number of societies	Members	Value marketed (in national currency)
Belgium	1933	160	32,754	Fr. 208,503,000
Czecho-Slovakia	1936	441	93,531	Kč. 430,497,000
Denmark	1937	1,402	190,000	Kr. 675,000,000
Estonia	1937	262	30,000	Kr. 25,645,127
Finland	1936	670	75,900	Mk. 954,600,000
France	1936	2,526	280,000	Fr. 1,520,000,000 ¹
Germany	1936	8,798	866,652	RM. 1,594,687,000
Greece	1937	62	1	
Hungary	1937	794	99,340	Pengö 18,000,000
Ireland	1937	229	54,833	£ 6,451,000
Italy	1937	3,130	240,000 ²	
Latvia	1937	215	15,787	Lats 37,457,401
Lithuania	1937	192	14,836	16,990 tons of butter
Luxemburg	1937	268	11,819	Fr. 44,160,100
Netherlands ..	1937	423	130,000	2,586,772 tons of milk
Norway	1937	8 central orgs.	70,410	Kr. 139,541,500
Poland	1935	1,385	458,000	Zl. 79,000,000
Sweden	1937	531	156,051	Kr. 300,000,000
Switzerland ..	1.5.1938	3,800	117,000	
Yugoslavia ..	1933	168	19,000	
Total ..		25,464	2,955,913	

¹ For 1,480 societies.

² In 1935.

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All these co-operatives have naturally not reached the same level of technical efficiency nor the same importance in the national economic system. Nevertheless, the dairy industry is manifestly one of the agricultural processing industries into which co-operative organisation has penetrated farthest. In certain countries, it has indeed almost completely occupied this field. In Denmark (1935), the co-operative dairies received 91% of all milk delivered to dairies and supplied most of the butter exported; 688 of these societies even engage directly in the export trade, the proportion for which they were responsible in 1935 having been 50% and the value 173,700,000 kroner. In Finland, the co-operative dairies are responsible for all the exports of butter and 58% of the exports of cheese. In Iceland, they handle 70% of all the milk put on the market. In Latvia, the Central Federation of Co-operative Dairies has for some time had what amounts to a practical monopoly in the export of butter, and, in 1936, the quantity of butter exported by it was equal to 18.3% of the country's total exports of all commodities; a formal monopoly was recently granted to it. In Lithuania, too, the Central Federation of Co-operative Dairies is (since 1935) the only exporter of butter; the value of its exports of this product in 1937 was 47 million litas. In Norway, between 80% and 90% of the producers of milk belong to co-operative dairies, and the export centre of these societies does all the exporting of butter and cheese. The Netherlands co-operative dairies produce 65% of the butter and 45% of the cheese. In Poland, 89% of the butter exported in 1936 came from the co-operative dairies. In Sweden, in the same year, the co-operative dairies represented two-thirds of the total number of dairies, and received a larger proportion (88.4%) of all milk handled; they were responsible for 61.8% of the production of cheese, 92.2% of the production of butter and all the exports of the latter product.

Eggs.—Small and medium-sized agricultural holdings are the most interested in poultry farming. Eggs and butter, like milk, play a most useful part in peasant economy. Their sale brings to the farmer an income which, though, of course, varying with the seasons, is nevertheless spread over the whole year, whereas most other agricultural products require a long expenditure of labour and capital before any return can be obtained, and this return is always subject to hazards and fluctuations. The income obtained from poultry is by no means negligible. It has been calculated that some years ago, in Germany, the value of poultry products was between 6% and 8% of the value of all agricultural output (or equal to the value of wheat); and, in Belgium, the value of poultry products sold was equal to about half that of all the coal mined in the country.

Although, in most countries, private wholesalers and their collectors still play a predominating part on the market, co-operative organisation of the marketing of eggs is rapidly gaining ground. It has been undertaken both by agricultural and by consumers' co-operative societies.

On the producers' side, the collection of eggs is sometimes regarded as an accessory function of agricultural co-operatives with some other principal object (general or particular) and sometimes as the function of special co-operative institutions.

It is generally as an accessory function that the first move towards co-operative collecting is made; and this form is still the commonest. From the organisational point of view, it has a maximum of facilities and a minimum of risks, for it can make use of an established system of collection. Most often, eggs are collected at the same time as milk and by the same means (in Czecho-Slovakia, Denmark, Hungary and Poland); sometimes (in Denmark, for instance), the collection is undertaken by the local branches of the co-operative slaughter-houses; or, again (as in Hungary), by the general agricultural co-operative purchase and sales societies.

It is mainly in the countries where the co-operative collection of eggs has been the object of particularly systematic efforts that it is already carried out to a greater or less extent by special societies, either alone or concurrently with other agricultural co-operative societies. Such is the case, for instance, in Denmark, Germany, the Netherlands and Switzerland. In Belgium, egg-collecting is centralised by a special department of the purchase and sales office of the Boerenbond (Farmers' League).

The consumers' co-operative organisations (local and central), and particularly those which have a highly developed network of shops in the country districts, also play a part in the systematic collection of eggs. Either the local branches collect eggs from those of their members who keep poultry, acting solely with a view to supplying other members, or the consumers' co-operative societies, and, more particularly, the rural distributive and supply societies and their central organisations, collect eggs in excess of their own requirements so as to provide the marketing facilities needed by the agricultural population with which they are in contact. This is particularly the case in Finland, Hungary, Latvia and Poland. Then, either directly or through the central agricultural co-operative organisations, specialised or not, they undertake the marketing at home or abroad of the eggs they have collected over and above their own demand.

It would appear already that the quantities of eggs collected by the co-operative organisations of either type—and above all by the rural supply societies—are very large in the countries considered and, in some countries, are growing rapidly. This

applies, for example, to the purchase and sales office of the Belgian Farmers' League. In Bulgaria, in 1935, the co-operative organisations were responsible for 17.3% of all egg exports. In Denmark, in 1936, 800 co-operative societies engaged in egg-collecting; they had 45,000 members and a turnover of 23 million kroner; and, in the same year, the Danish Co-operative Society for the Export of Eggs was responsible for 28.3% of all egg exports. In Estonia, at least a third of the eggs exported pass through the Central Union of Agricultural Co-operative Societies. In Finland, in 1937, 171 co-operative societies with 20,000 members engaged in the collection of eggs and reported a turnover of over 110 million marks; as a rule, "Muna" (the central co-operative organisation) which is responsible for 18% of all exports of eggs, succeeds in enforcing the prices fixed by it. In Germany, in 1936, 369 societies, with 225,855 members, collected eggs to a value of 78,676,000 marks. In Hungary, a central co-operative organisation for the marketing of eggs and poultry, entitled "Haztartas", has steadily increased its activity since it was founded. In the Netherlands, the egg-marketing co-operative societies are responsible for 50% of the country's exports of eggs.

Meat and Cattle.—Special co-operative societies have been organised for the marketing of cattle and more particularly of meat (largely in the form of bacon in almost all the countries bordering on the Baltic Sea). Czecho-Slovakia had 204 cattle-marketing co-operative societies in 1937. Denmark (1936) has sixty-one co-operative slaughter-houses, with 191,000 members and a turnover of over 428 million crowns; there are also twelve societies for the export of meat and cattle, with 11,400 members and a turnover of 11,400,000 kroner; 86% of the pigs and bacon exported from Denmark come from these co-operative organisations. In Estonia the Co-operative Society for the Export of Cattle, established and managed with State support, has a monopoly in this trade; its turnover in 1937 was 10 million crowns. In Finland, in 1937, there were eighty-one cattle-marketing societies, with 30,000 members and a turnover of 114 million markkaa; and eight meat-marketing societies with 6,000 members and a turnover of 25 millions. In Germany (1936), the co-operative societies for the sale of cattle and meat numbered 619; they had a membership of 142,383 and a turnover of over 246 million marks. In Iceland, the Co-operative Wholesale Society is responsible for all the exports of mutton. Lithuania had about ten cattle-marketing co-operative societies in 1937. In Norway (1937), there were six of these, with 82,917 members and a turnover of 42,535,000 kroner. Sweden (1937) had thirty-nine such societies, with 206,960 members and a turnover of 156 million kronor; in 1936,

these societies handled 65% of the meat put on the market, 76% of the horned cattle, and 80% of the pigs and bacon. In Yugoslavia (1935), there were 335 cattle-marketing co-operative societies, which handled 40% of all the cattle exported.

Grain.—It has been pointed out above that a large part of the co-operative marketing of grain is done through the general agricultural co-operative societies; nevertheless, in certain countries, special societies for this purpose have grown up, particularly in recent years.

In France, the establishment of the Wheat Office has led to a rapid increase in the number of such societies. There were 1,205 on July 31st, 1937, with 235 specially fitted silos; they had treated 36 million quintals, or five-sixths of all the grain put on the market. There are also such societies in Italy and Greece, as well as co-operative mills. In Sweden (1937), 786 co-operative societies with 44,600 members and a turnover of 51,500,000 kronor were responsible for about 30% of the total trade in cereals. In Yugoslavia (1935), there were 117 grain-marketing co-operative societies with 5,760 members and a turnover of 4.5 million dinars.

Fruit, Vegetables and Sundry Products.—In Germany, the statistics as a rule group together the co-operative societies for the marketing of fruit and vegetables, co-operative distilleries and potato-drying societies. There were 1,283 societies in this group in 1936, with 141,416 members and a turnover of 213,779,000 marks.

As regards the marketing of *potatoes*, Estonia had eighty co-operative distilleries in 1937, with an output (1935/36) to the value of 1,400,000 kroon. Latvia had thirteen co-operative distilleries with 1,499 members in 1938. Norway has two co-operative societies for the production of starch from potatoes, with 1,350 members and a turnover of 741,300 kroner.

For the marketing of *fruit and fresh vegetables*, France has 221 co-operative societies, which reported a turnover of 7,000,000 francs in 1937; Lithuania has twelve societies, Sweden (1937) twenty-one and Yugoslavia (1935) forty. In recent years, about thirty co-operative societies have been set up in Turkey for the marketing chiefly of figs (25% of the total crop) and grapes (15% of the crop), but also of nuts (15% of the crop), musk-melons, water-melons, oranges, etc.; over 12,000 producers are affiliated to such societies; those engaging in the sale of figs and grapes did business to the value of £13,000,000 in the last financial year.

Vine-growers' co-operative societies are fairly common. In France (1938), they number 543, with 15,000 members and a turnover of 1,000 million francs. In Germany, there were 477 such societies in 1936, with a membership of 25,224 and a

turnover of 22,212,000 marks. In 1937, there were 176 societies of the same sort in Greece, and 194 with over 16,000 members in Italy. Such societies are also to be found in Luxemburg (about forty in 1934), Roumania, Switzerland (sixty-five vine-growers' societies and forty-nine co-operative distilleries in 1930) and Yugoslavia (ninety in 1933).

Olive-growers' co-operative societies are also to be found in the Mediterranean countries. There were seventy-two in France in 1937, with 15,000 members and a turnover of 51 million francs ; and Italy had twenty co-operative oil factories in 1937.

There are twelve co-operative societies for the marketing of *tobacco* in Bulgaria, with a membership of 13,929 producers ; they handle more than a fifth of the total output. Italy had forty-five co-operative societies of tobacco-growers in 1937. In Italy, in the same year, there were 101 co-operative establishments for the drying of *cocoons*. About thirty co-operative societies for the desiccation of *chicory* were to be found in Czecho-Slovakia in 1935. Four co-operative societies, with 3,268 members, have recently been established in Turkey for the sale of *cotton*.

Although a considerable quantity of agricultural produce, marketed according to co-operative methods, still passes through the general agricultural co-operative societies (supply and sale), a steadily growing tendency may be observed to entrust the function of selling to societies specialised by products. This method enables a higher degree of cohesion to be obtained among the members, who all produce the same product and tend to have the same interests. This higher degree of cohesion is necessary because the function of marketing involves more difficulties and more risk than that of supply ; consequently, the co-operative societies which perform the former function depend for success on strict discipline among their members, a discipline which applies not only to the delivery of products but even to the observance of rules regarding conditions of production. In this way, right from the time of their establishment, co-operative societies for marketing, after or without the working-up of the product, do a great deal to train the character and develop the technical ability of agricultural producers.

Inter-co-operative Relations.

It should be pointed out that the co-operative organisations which collect, prepare for sale and market the products of their members, may dispose of them wholly or partly to consumers' co-operative societies. In such a case, the process is co-operative from the original producer to the final consumer ; it begins as co-operative marketing and ends as co-operative retail trade. This "unbroken co-operative chain" has advantages for the social groups at either end of the economic process. On the

one hand, it enables certain expenses to be eliminated and thus results in a better return for the producer; on the other, it provides a stable, assured market, particularly if the agricultural and consumers' co-operatives are bound one to another by long-term contracts for delivery and purchase or by organic connections (management of joint undertakings, etc.).

These inter-co-operative relations have grown greatly in the past fifteen years; many examples may be quoted, both inside most of the countries of Europe and even on an international scale. To promote such relations is one of the objects of the International Committee for Inter-co-operative Relations which the International Co-operative Alliance and the International Confederation of Agriculture set up jointly after a resolution on the subject had been adopted by the International Economic Conference of 1927.

Sundry Functions.

There are regions where the soil does not provide the peasant family with all the products or with the whole income it requires for the satisfaction of its needs. This may be because the holding is too small or because the soil is too unfertile, or again because the climate prevents agricultural operations during a large part of the year (in the mountains and high valleys, for instance). The peasant household then seeks an *accessory occupation* and a *supplementary income*. Such an occupation will sometimes take the form of an addition to the farm (poultry, bees, silkworms, etc.); in other cases, that of home handicrafts for sale, based either on raw materials of local origin (wood, metal, textiles, etc.) or—strange though this may seem—on raw materials from distant countries, or again on a long-standing tradition which has maintained special occupational skill (embroidery, lace-work, jewellery-work, etc.). The various types of co-operative societies mentioned above help these small-scale industries, in some cases by providing the credit which is needed and, more generally, by organising relations with the market both for supplies and for sales. In Ireland, such societies have encouraged the breeding of small stock, bee-keeping and lace-making; in Sweden, Norway, Finland and Hungary, they have encouraged embroidery; in Switzerland, woodworking and weaving; and, in Turkey, weaving. In Slovenia, the small co-operative of Straziscé sends to Germany, Great Britain, the Netherlands, France, Algeria, Tunis and South America sieves made of hair obtained mainly from South America and Siberia.

Some *forestry co-operative societies* may be considered as undertakings providing the rural population with a supplementary income. They are to be found chiefly in the following countries: Bulgaria (1937), 131 societies; Finland (1937),

four societies, 7,800 members, turnover of 102 million markkaa ; Roumania (1935), 208 societies, 24,600 members, value of output 119,400,000 lei ; Sweden (1937), twenty-eight societies, 13,200 members, turnover of 19,730,000 kronor ; Switzerland (1930), 145 societies, 8,662 members ; Union of Soviet Socialist Republics (1935), 1,800 societies, 3,000,000 members, turnover of about 1,000 million roubles. Many of the forestry co-operative societies in the Soviet Union are handicraftsmen's (woodworkers') societies.

Co-operative or mutual *insurance societies* protect the peasant against accidents to his own person, death among his cattle, atmospheric calamities to his crops and fire in his house and farm.

As regards the risks of fire, accident and death, which are more or less common to the rural and the urban population, farmers sometimes insure through co-operative insurance societies set up by the urban consumers' co-operative movement. This is the case in Finland, for instance, where, in 1935, 303 co-operative insurance societies insured against fire for a total value of 14,769 million markkaa and in Sweden, where the capital insured against fire by the Samarbete Co-operative Insurance Society in 1937 was 2,372 million kronor (in 1935, the Samarbete took over an insurance company operating principally in rural districts). The same applies to the Finnish co-operative life insurance societies Pohja and Kansa, and, as far as the risk of accidents is concerned, to the Swedish Samarbete.

Some co-operative insurance societies operate principally among the rural population. This applies to the Danish co-operative life insurance society Tryg, which, in 1937, insured 209,000 persons for a total of 189,240,000 kroner.

Lastly, agriculture has its own co-operative insurance societies, particularly as regards the risks of fire and death of cattle. The following tables contain numerical data relating to the most important of these :

Societies for Co-operative Insurance against Fire.

Country	Year	Number of societies	Number of persons insured	Value insured
Belgium	1937	—	136,840	13,160,518,000 francs
Estonia	1937	400	30,831	218,082,000 kroon *
France	1937	25,122	808,342	67,728,281,500 francs
Germany	1937	1	101,081	"
Hungary	1937	—	—	"
Latvia	1936	401	103,055	447,662,605 lats

* Hundred and sixty-eight societies only.

° Premiums paid : RM.2,285,292.

° Premiums paid : 3,474,509 pengö.

Societies for Co-operative Insurance against Death of Cattle.

Country	Year	Number of societies	Number of persons insured	Value insured
Belgium	1933	513	38,232	249,068,000 francs
Bulgaria	1935	1,959	76,137	—
Finland	1935	89	—	58,800,000 markkaa
France	1937	3,281	—	504,956,000 francs
Germany	1937	1	—	RM.972,114,216 ^a
Hungary	1937	—	—	^b
Italy	1935	753	35,000	—
Luxemburg ..	30/6/38	66	1,876	9,329,000 francs
Yugoslavia ..	1937	139	5,000	14,300,000 dinars ^c

^a 7,361,558 animals insured.

^b Premiums paid : 156,858 pengö.

^c Sums reinsured by central organisations.

In some countries, societies for co-operative or mutual insurance of a more particularly agricultural character are to be found. These cover the risks of hail, accident or death.

In Belgium, in 1937, 2,731 farms and small-holdings were insured against hail for a sum of 29,638,379 francs. There were 863 societies for insurance against the same risk in France in 1937, with 20,649 members and an insured value of 368,365,858 francs. In Hungary, in 1937, the farmers' co-operative insurance societies received 1,315,788 pengö in premiums for insurance against hail.

The Belgian Farmers' League Insurance Society insured 78,810 farmers and small-holders against accidents in 1937. In Denmark, the Society for insurance against accidents in agriculture and the dairy industry included and insured 380,000 persons in 1937, and another society, 18,800. In France, 21,038 mutual insurance societies covered the risk of accidents for a total of 3,395,838,849 francs.

Life insurance is practised in Germany by the Deutscher Bauerndienst (Farmers' Service), which insured 207,000 persons for a total value of 159,741,396 marks in 1937. In Belgium (1937), 12,673 persons were insured on a co-operative basis for a total value of 283,898,470 francs ; in Hungary (1937), 227,545 persons were so insured for a total of 85,798,341 pengö.

Equipment of the Rural Community.

As co-operative action develops, it can be directed outside the strictly economic interests of the peasant's household towards tasks which concern his health and general well-being, or which even go beyond the circle of the individual and his family and bring to the village or rural community the equipment and the material for organisation which it lacks.

Mention should be made first of all in this connection of the work—too unobtrusive for general reflection in statistics—done in many countries by the credit co-operative societies, either on their own initiative or serving as channels for special loans from the authorities. By organising farm credits, individual and collective, the co-operative societies and their central organisations can improve *rural housing*, either by more satisfactorily fitting-out those parts of farm buildings which are used for the housing of agricultural workers, or by building more spacious, better equipped, healthy houses. This is the case, for instance, in France, where the regional agricultural credit funds are enabled to extend to the rural population the advantages of the legislation on cheap housing. In Hungary, it is with Government collaboration that the National Co-operative Society for Rural Housing has made possible the construction of 37,919 small houses in seven and a-half years.

In a fairly large number of localities in Bulgaria, the “people’s banks” (credit co-operative societies) have laid on *water* and *electricity*. In France, a recent Legislative Decree (dated June 17th, 1938) enables the National Agricultural Credit Fund and the regional mutual agricultural credit funds to make loans to local authorities or groups of local authorities for laying on *drinking-water*, the construction and repair of local *roads* and any work of *rural equipment* approved in plan or subsidised by the Ministry of Agriculture.

These various functions are sometimes made the field of action of special co-operative societies. Mention has already been made of the *electricity* co-operative societies. There are also *water-supply* societies; 303 of these, with 14,158 members and a turnover of RM.438,407, existed in Germany in 1936; Switzerland had 432 in 1937; etc.

In Italy, there are a few *transport* co-operative societies. In Finland, as in the United States, the rural co-operative *telephone* services have solved a problem which great distances, the locking-up of considerable capital, difficulties of upkeep and uncertain yield had made unattractive for undertakings working for commercial profit; in 1937, there were 300 societies of this type in Finland, with 19,000 members and a turnover of 12,000,000 markkaa.

In Yugoslavia, what are known as “*health* co-operative societies” improve the village streets, build fountains, provide dung-pits, etc. They arrange for the presence of a doctor, a pharmacy and a small hospital in each rural community concerned, and, by means of vaccination and other preventive measures, make a valuable contribution to the struggle against disease. Moreover, through their young persons’ and women’s sections, they are gradually entering the whole field of training in hygiene and of technical, economic and social education.

There were 171 of these societies in 1937, and 101,250 peasant families were affiliated to them. Poland has a dozen such health co-operative societies. In Denmark, 1,077 co-operative societies of various sorts, with a total membership of over 194,000, maintain sanatoria.

Finally, it should be pointed out that, in the countries where co-operative action is most closely bound up with the economic activities of the village, it tends also in other directions to exert an influence on the general organisation of rural life. By means of meetings, festivals, games, the wireless, the cinema, the establishment of libraries, etc., the local co-operative societies and their federations do all they can to provide the countryman with opportunities for relaxation, culture and communal life ; in Finland, in some villages of Czecho-Slovakia, Yugoslavia, etc., they have even constructed community buildings for this purpose.

The above samples of co-operative activity will throw sufficient light on the many-sided and fundamental rôle which co-operative societies sometimes play in the organisation of rural economy. There are, in Europe, villages where the principal economic functions of the community are performed by co-operative organisations, where one co-operative society provides the inhabitants with their purchasing power, another enables them to use it to the best advantage, others give them access to the money market, protect them against certain of the risks of their calling, etc. The co-operative movement thus fits in so closely with every need and action of the countryman's daily life that it becomes the support, the very mould of his activity ; and the mould also of his thought and culture.

2. EDUCATIVE ACTION OF CO-OPERATIVE ORGANISATIONS

To view co-operative action solely from its economic side and to ignore completely its educational, moral and social aspects would be to obtain an incomplete and misleading impression of it.

The whole history of the co-operative movement—in the cities as well as in the villages—shows that there is a sort of natural affinity between the needs which give birth to co-operative action and the need for education ; indeed, both are linked up with a belief in progress—progress by self-help. This means not only that the decision to establish a co-operative organisation, or adhere to one, and the resulting collaboration in its management presupposes some knowledge and a certain intellectual and moral standard ; it means also that, directly or indirectly, co-operative work contributes most effectively to the economic education of the producer and consumer and to the

development of their personal qualities. It was this which an eminent British co-operator had in mind when he wrote : " It has been well said that co-operation is an economic movement employing educational action. Yet the statement would be no less true if it were reversed. Co-operation is an educational movement employing economic action."¹

Of course, through their network of local societies, their periodical Press, broadcasts, courses, classes, lecture tours and sometimes actual schools, the central agricultural co-operative organisations strive to place at the disposal of farmers and small-holders the technical and economic knowledge so valuable for a proper exercise of their profession. But they do more. They render accessible to small-holders the more profitable processes of cultivation and stock-raising and the methods of grading products and of packing which they recommend. Thus, they not only teach the use of these processes and methods, but also secure their appreciation and make them desired ; they, so to speak, convert the small-holder to these innovations and overcome the inertia of custom. For use leads to habit and habit to need.

It should be noticed that, in order to acquaint the younger generations (and often, by contagion, their elders) with new methods, new apparatus, new varieties of products, recourse has been had to the establishment of groups of young persons which, in form and action, closely resemble co-operative institutions. There are such groups in the United States of America, Great Britain, Canada and South Africa (young farmers' clubs, girls' clubs, boys' clubs, juvenile clubs), and in Denmark, Sweden, Finland, Poland and Yugoslavia.

The rural co-operative societies may be said to constitute the most convenient distributing system for conveying quickly to the agricultural population expert counsel and advice. For that advice is thus conveyed, not to isolated individuals, but to a permanent coherent group, whose activity continues and confirms that of the transient individual expert. They cease to be the bloodless precepts of academic theory and become the living, practical standards of education by experience. They cease, for the farmer, to be instructions, mistrusted because official, and perhaps also obscure ; they become methods of action, used and recommended by his fellows, his friends, those to whom he has given his personal confidence and entrusted the direction of his community. Their acceptance may be attached as condition to the grant of credit, so that the borrower is obliged by his loan agreement to start off on the road of technical progress ; or again, their faithful observance may be

¹ W. P. WATKINS : " Co-operative Education and World Citizenship ". *Review of International Co-operation*, May 1933.

encouraged and rewarded by the higher price which the best disciplined farmers receive from the marketing co-operative societies for the better quality of their products. It is no exaggeration to say that, both by the discipline they impose and by the means they offer of convenient submission to it (supply of selected seed, fertilisers, pest killers, equipment, technical advice, etc.), the co-operative societies are practical vocational schools; they teach the small-holder to save time and trouble, to improve the quality of his products and to market them in a way which reduces to a minimum the costs of grading, preservation, transport and sale.¹

Thus, through the economic man, co-operative action transforms the whole human being, his personality, character, attitude to the community and attitude to life.

Roughly outlined in this way, the rural co-operative society is seen not only as a factor in technical progress and material well-being; it is seen also to be an instrument of economic organisation, of vocational training and discipline, a centre of spiritual life and general education, a cell in the new social tissue which is re-establishing or carrying on that vital, solid cohesion and systematic collective defence which family feeling, neighbourliness and the tradition of mutual help kept alive in the old village communities.

¹ On the means which agricultural co-operative organisations use to improve, define (and consequently standardise), supervise and guarantee the quality of products marketed, see, *inter alia*, "The Co-operative Movement and Better Nutrition.—Standard Definition of Foodstuffs Education of Producers and Consumers." I.L.O., Studies and Reports, Series B, No. 24, Geneva, 1937.

II. THE CO-OPERATIVE MOVEMENT AND PUBLIC ACTION

Though the many-sided but seldom spectacular activities of rural co-operative societies have in some countries attracted little attention among economists and sociologists, they have not remained completely unknown to the authorities. At least, a considerable number of cases may be quoted in which the Government has recognised the importance of these societies either by encouraging or by utilising them. It may even be said that the points of contact and the methods of collaboration between the co-operative movement and the authorities in the organisation of rural life have steadily increased in number.

It is impossible, and no doubt unnecessary, to enumerate all these contacts and methods. As regards rural housing and equipment, some information has been given incidentally above on the financial aid sometimes granted by Governments to co-operative societies which show activity in these fields. Brief mention may also be made of the help which professors of agriculture and the agricultural services of central or regional administrations give to the co-operative organisations with which they are normally in touch. Lastly, the special report submitted by Mr. Tardy makes it unnecessary to describe here the more or less close relations which have grown up in almost every country between the Government or the bank of issue and the system of rural credit co-operative societies.

But, during recent years, the authorities have thought fit to extend farther and farther their attempts to regulate or organise the market in agricultural products, and this policy has brought them into still closer contact with the co-operative movement.

This contact has not always been satisfactory when it has occurred, so to speak, by chance; but, when it has been pre-meditated and prepared, it has resulted in new forms of collaboration, some of them most precious. Several examples may be quoted; they are taken from the material brought together by the International Committee for Inter-co-operative Relations in a recently concluded enquiry. Mere enumeration of the points of contact between public action and the co-operative movement in the organisation of rural economy would in itself constitute an instructive document. But these points, when examined in detail, have not all the same interest and the same suggestive value; instead, therefore, of an enumeration, a few of the most typical and newest will be examined at some length.

PARTICIPATION OF CO-OPERATIVE ORGANISATIONS IN THE DRAFTING OF REGULATIONS

The first stage is that of consultation. The drafting of regulations is sometimes a complicated and often—owing to the difficulty of foreseeing their effects—a delicate task. The public authorities are therefore often obliged to have recourse to the agricultural organisations, not only for more direct knowledge of the needs of the population concerned, but also for advice of a technical character.

In many European countries, the co-operative organisations, being in close and permanent contact with the farmers themselves and with their problems, were particularly well fitted for this duty and were in fact requested to perform it. Sometimes, the big national co-operative organisations were consulted direct; in other cases, co-operative institutions were given representation on various committees and councils of a permanent or temporary character. In Czecho-Slovakia, the representatives of the agricultural co-operative movement were even requested by the Minister of Agriculture to prepare drafts for legislation and regulations. In Finland, it was at the suggestion of the central co-operative organisations that almost all the measures for organising the market for agricultural produce were taken.

Significant though it is, collaboration of this sort in work of legislation and regulation has not involved the use of methods new in themselves. But, in most cases, besides simple consultation, the co-operative organisations were asked to give help of a wider and more active sort, to the extent even of making themselves one of the mainsprings—or *the* mainspring—of the machinery for regulating, supervising or organising the market for agricultural produce. These are the forms of collaboration which deserve special mention. They may be classified in two main categories: one comprises the cases in which the authorities rely completely or to a large extent on the agricultural co-operative institutions to organise the marketing of, or to market, agricultural produce, either by simply entrusting this task to them by various means, or by directly using them and assisting their work in more limited fields (*e.g.*, the collection of products); the other category includes cases in which the public authorities, having established or helped to establish *ad hoc* bodies for the collection and marketing of agricultural produce, have more or less closely associated the co-operative organisations in the management of such bodies.

DIRECT UTILISATION OF THE AGRICULTURAL CO-OPERATIVE ORGANISATIONS

In certain of the countries where the co-operative movement has reached a very high stage of development (to the point, sometimes, of undertaking almost all the marketing of the principal home agricultural produce), the public authorities, instead of creating a completely new institution of an administrative character to organise the market, have thought better directly to utilise the existing organisations, sometimes purely co-operative, sometimes of a mixed type, in which the Government was already more or less closely associated with the co-operative movement. Even in certain countries where co-operation is too young or too undeveloped to assume such great responsibility, the movement was called upon to play a part in certain sections of the collection and marketing scheme set up by the State.

In old Austria, the Union of Agricultural Co-operative Societies of Lower Austria marketed most of the rye produced in the country ; it had the exclusive right to import rye, under the supervision of a sworn commissioner appointed by the Federal Ministry of Commerce. In Greece, it is through the unions of agricultural co-operative societies of the grain-growing regions that the Central Committee for the protection of the production of home-grown grain purchases from associated or isolated producers ; in Crete, the Union of Producers' Co-operative Societies is required to collect and export fruit ; and there is a similar system for wine in Samos, Chalcis, Attica and Bœotia. In Hungary, the co-operative institutions, and particularly Futura (which owes a large proportion of its capital directly or indirectly to the State), have been required to undertake the purchase and export of cereals as mandatories of the Foreign Trade Office ; the central organisation of co-operative dairies plays a preponderant part in the export of dairy products ; the co-operative institutions have also been charged with similar operations regarding horses, potatoes, onions, etc. ; and they have served the Government as intermediaries in the distribution of loans to tobacco-growers. In Estonia, Latvia and Lithuania, the co-operative movement is, to all intents and purposes, part of the economic machine of the Government, which uses it to a large extent for the collection and export of dairy products, meat products and eggs. In Norway, the Co-operative Dairies' Export Centre has a monopoly of butter and cheese exports and the exclusive right to supply the margarine factories with butter ; the Co-operative Central Office for the sale and export of meat has a monopoly in the export of pork and mutton ; it is also required to carry out all the measures prescribed by the public authorities regarding the

pork and mutton industries. In Switzerland, the Central Milk Producers' Union, a co-operative organisation including almost all producers, has a *de facto* monopoly and is the body through which State intervention in the regulation and organisation of the market in milk and dairy products is effected ; it receives subsidies and has a special income from certain taxes and duties ; as regards poultry-farming, the Federation of Swiss Co-operative Societies for the sale of eggs is required to co-ordinate production, marketing, imports and trade in this product.

PARTICIPATION OF CO-OPERATIVE INSTITUTIONS IN SPECIALLY ESTABLISHED MARKETING ORGANS

These bodies are, as a rule, the newest, the most original and also the most systematic feature of the Government schemes for the marketing of agricultural products. Some are the result of a variety of experiments, in the light of which they have gradually been transformed ; others remain as they were originally planned ; and others again are still in course of evolution.

In Europe, the Czecho-Slovak Cereals Company and the (French) National Inter-occupational Wheat Office are the most elaborate instances of such bodies. Their functions, powers, structure and methods of work are generally known, but may be briefly summarised here.

Though only four years old, the *Czecho-Slovak Cereals Company* is the older of the two.

It holds a triple monopoly—for the purchase of home-grown grain, for the importation and exportation of wheat, rye, barley, oats, maize and almost all varieties of forage (that it operates on the market in wheat, in the less important cereals, and in forage is one of the technical peculiarities of this scheme).

The establishment of the Cereals Company may be considered as the culmination of a development consisting of three principal stages :

(a) In pursuance of the Order of July 1933, an association was established to control the importation of grain and millers' products, so as to secure a satisfactory price for home producers without endangering the national food supply (the association was able to perform its task in a satisfactory way, but had not the means of intervening in the disposal of any surpluses of home-grown grain) ;

(b) To supplement the work of the association, a Grain Regulating Fund was set up in November 1933, for the stabilisation of wheat and rye prices by means of purchases on the home market ;

(c) A Governmental Order of July 13th, 1934, set up a monopoly in cereals and established the Czecho-Slovak Cereals Company ; this was supplemented by Orders Nos. 152 (1935), 156 (1935) and 219 (1936).

The Czecho-Slovak Cereals Company is a limited company, but was set up by Government Order. The members of its Board are elected by the general meeting, but the president is a Government nominee. The company is subject to the general supervision of a Government Commissioner nominated by the Minister of Finance, and representatives of the Ministries of Agriculture, Social Welfare, Foreign Affairs, the Interior and Industry, Commerce and Handicrafts exercise technical supervision, the object of which is to secure respect for the obligations imposed on the company by the Orders defining its powers.

The members of the company are: (1) Centrokooperativ (the General Confederation of Agricultural Co-operative Unions); (2) the Central Union of Consumers' Co-operative Societies; (3) the occupational associations in the milling industry; (4) the occupational associations in private commerce.

The company finances itself. Its operations must be economically profitable in the same way as those of any other limited company. It has no advantages as regards taxation. Any losses it may make will not be met by the State, unless they result from operations performed by order of the Government (supply of grain to the unemployed at low rates, provision of forage in regions devastated by drought or floods, etc.) and only in so far as its own reserve fund does not suffice to meet such calls. The Government is not obliged to supplement this fund unless its total falls below Kč. 60 million.

The share capital is Kč. 50 million, two-fifths of which are provided by the agricultural co-operative organisations, the rest being supplied in equal parts by the three other groups of associates.

The company is administered by a board composed of a chairman, four vice-chairman and sixteen members. The General Confederation of Agricultural Co-operative Unions, by reason of the size of its contribution, has two-fifths of the seats.

The part played by the agricultural co-operative organisations in the working of this scheme is further demonstrated by the fact that the agricultural co-operative unions and all their sections and branches are at the disposal of the company for the latter's operations; the unions' auditors see that the rules are observed; and the co-operative depôts and federations are the company's principal representatives—i.e., they act to some extent as public bodies.

The National Inter-occupational Wheat Office in France has neither the same structure nor the same powers nor the same financial constitution as the Czecho-Slovak Cereals Company; but it also depends to a large extent on the work of the agricultural co-operative societies.

The Act of July 10th, 1933, and regulations issued under it paved the way for an organisation of the wheat market based on the co-operative movement.

The Inter-occupational Wheat Office itself was set up by the Act of August 15th, 1936, supplemented after a year's experience by the Legislative Decrees of July 16th and August 29th, 1937.

The Office is a body corporate and has financial independence. At its head is a director nominated by the Government, and it is administered by a central council of fifty-one members, as follows : four representatives of the Government (Ministries of Agriculture, Finance, Economic Affairs and the Interior), nine representatives of consumers, nine representatives of the intermediate industries and twenty-nine representatives of the group most closely concerned—*i.e.*, the wheat-producers. The latter have a majority on the council and among them are eighteen representatives of the co-operative societies for the sale of wheat.

Like the Czecho-Slovak Cereals Company, the French Wheat Office has a monopoly for the import and export of wheat, and itself determines the quantities to be imported and exported. But it is not responsible for purchase and sales operations on the home market.

In accordance with the standards and after the consultation prescribed in the Act, the central council fixes annually the price to be paid for wheat and that at which it is to be sold to millers. For this important decision, special conditions are attached to the vote : four-fifths of the members of the council must be present and a three-quarters majority must be obtained. If these conditions are not fulfilled, the decision is taken by the Council of Ministers. The central council also determines the spacing of deliveries by producers (or at least by those with an output of over 100 quintals) and of supplies to millers.

Further, the Office exercises supervision over the co-operative societies for the sale of wheat, the traders in grain, the millers and all bodies provided for under the Act which established the Office itself. The purchase and sale of wheat are carried on mainly by the co-operative societies.¹

All the operations are financed through the regional agricultural credit funds. The supervision of these operations,

¹ They handled five-sixths of the wheat put on the market during the financial year ending July 31st, 1937.

whether conducted by traders or by co-operative societies, is effected in each producing Department by a committee composed in a manner similar to the central council of the Office ; the latter is provided by the departmental committees with all the advice and information which it may need for the fulfilment of its task.

The expenditure of the National Office and of the departmental offices for the organisation and supervision of the production of and trade in cereals is met from the yield of a tax on output (varying from one to six francs per quintal), from a part of the yield of the tax on milling, from a small levy made on each quintal of wheat delivered and, if wheat is imported, from part of the Customs duties.

This is not the place to expatiate on the methods adopted by the Czecho-Slovak Cereals Company and the Inter-occupational Wheat Office respectively, nor on other schemes of a different or less complete type which may be found in force in Great Britain, Greece, Yugoslavia, etc. They should, however, be mentioned for their very novelty, as well as for the trend they reflect, the further development of which it may be interesting to follow.

CONCLUSIONS

Moments occur in the history of the co-operative movement when it is easy to observe, one might almost say to gauge, the influence of its first appearance in rural districts. Raiffeisen himself, in his book "Die Darlehnskassen-Vereine", the first edition of which came out in 1866, describes the state of poverty and desperation ruling in the Rhineland towards the end of the first half of the nineteenth century, when the age-old village communities were breaking up; and disinterested official evidence establishes without difficulty that the economic and moral recovery which followed the growth of the rural credit co-operative societies was indeed largely due to their activity. In the same way, co-operative literature has shown how in Denmark, first of all in the poor province of Jutland, the co-operative dairies came into existence in the last twenty years of the past century; how, seizing hold of the recently invented centrifugal skimmer, they saved agriculture from disaster by enabling it—without Customs barriers or State aid—to move rapidly from grain-growing (doomed to disappear before the competition of distant countries) to the production of milk; how, within forty years, the number of milch cows in Denmark increased by 152%, the average yield of milk per beast by 255%, the total output of milk by 276%, the total output of butter by 320%, and the export of butter by 788%; how also, with the aid of the stock-raising societies and the co-operative slaughter-houses, the Danish cattle-breeders, though accustomed to produce a heavy, fat type of pig for the German market, were able—when this market was suddenly closed—promptly to turn out a lighter, longer-muscle pig for the bacon which the British market required. The co-operative dairies of Poitou and the Charente departments in the west of France, which now produce two-thirds of the butter sold in the Paris *halles*, have a similar history: fifty years ago what is now a dairy-farming was then a wine-growing region; the ravages of phylloxera suddenly turned prosperity into ruin; and the co-operative societies contributed to recovery by helping the region to effect a rapid and successful change in the very basis of its economic life.

Facts of this sort no doubt speak loud enough for themselves. Indeed, when an entirely new factor intervenes at a given moment in a system of ascertained causes, it is relatively easy to draw conclusions from changes which occur at that given moment in observed conditions. But now that the co-operative movement has gradually, though unevenly, penetrated economic and social life, it is much more difficult to isolate and study its

effects by the method of concomitant variations. A series of monographic studies would perhaps approach fulfilment of these conditions, if each one were confined to a single, carefully chosen village or small district and if all were conducted with the greatest care.

In the absence of such monographs,¹ less direct methods must suffice to show what contribution co-operative movements have made towards raising the standard of life in the country districts. The descriptive method adopted in the present report is, of course, not fully satisfactory; but at the present stage of the work of investigation its use represents a necessary and perhaps a sufficient step. What is important and possible at present is not to analyse the methods used by the co-operative organisations, for these proceed naturally from the application of co-operative principles and the utilisation of co-operative cohesion; but rather to find whether co-operation is indeed a method calculated to improve the output and marketing of agricultural products, the economic and social position of cultivators and the organisation of village life; and to know whether this method can be applied in every country.

The purely descriptive material collected in this report presumably provides an answer to these questions. Surely, the geographical expansion, the unbroken development of the agricultural co-operative movement in all its forms, and the sometimes imposing results it has achieved are proof of its universal character, the value which rural populations attach to it, the loyalty which it inspires and the importance of the rôle it plays? Surely, the character of this rôle is sufficiently evident from the above brief description of the functions which the movement performs? And, surely, the peculiar characteristics of co-operative organisation and the rules which govern its working demonstrate its particular aptitude to undertake that rôle?

One fact at least is clear: that Europe has been covered, mesh by mesh, with a vast network of co-operative organisations, which reach more or less deep down into the life of the rural population. This network is incomplete and is unevenly developed in the different countries and regions; it is not always in those which most urgently need co-operation that the highest degree of evolution has been reached. But the recovery value and constructive power which it has shown on every side justify

¹ Reference should, however, be made at least to that of M. Karel GALLA: "Sociology of the Co-operative Movement in the Czecho-Slovak Village", published by the Country Life Association in Prague, 1936, 124 pages. Conducted with the greatest impartiality, it brings out the effect which the development of co-operation in the village of Sany has had on production, the standard of living of the inhabitants and the organisation of collective life.

confidence in its future possibilities ; and they also command comprehension for the peculiar features which stamp it and perhaps explain its development.

There are, no doubt, regions in which co-operative organisations owe some of their inspiration and some of the efficiency of their methods to thinkers who have lived in close touch with peasant life. But, on the whole, these organisations are characterised above all by spontaneity : they are clearly the direct expression of the needs from which they issue, and are exactly adapted to those needs. Everywhere, their roots lie deep down in the people's traditional way of life and reach far back into the old communal institutions of which, in modern economy, they are the rejuvenated form. They have grown in size and multiplied in number solely or mainly by the direct efforts of their members, and have neither in every case nor at every time had the benefit of legislation suited to their original character and expansive force. Their growth, like that of a plant or tree, has been silent and continuous ; but to-day they have become the habitual channels for the action and even the thought of a large part of the rural population.

Every effort made to organise and improve conditions of life in the country will at some point of its development meet pre-existing co-operative institutions. And, in particular, every time the public authorities thus encounter the co-operative movement, a problem will arise ; should they create a substitute for that movement or collaborate with it ? By negligence or indifference, the authorities may in some cases cripple the vast organisation which the co-operative movement has patiently built up ; in another, they may trample on the first shoots from the co-operative seed ; or, on the other hand, they may use the living organs shaped by experience, help them to ripen and develop, and seek their support by associating with them.

Though the importance of its consequences may be great, the form taken by such collaboration between public authorities and the co-operative movement can, in its more general aspects, be reduced to a few fundamental principles, provided it is based on full comprehension of and respect for the character and conditions of life and work which are peculiar to the co-operative movement. It is not a question of the Government, so to speak, relieving the co-operative organisations of their duties and putting its own organs in the place of the independent, collective efforts of co-operators ; instead, it is a question of combined effort. What is required is that it give the co-operative institutions, where necessary, not so much direct financial assistance, as moral and technical support—by legislation suited to their needs and a due place in education at every stage. Where possible—that is to say, where the co-operative organisations are already firmly established—it will give these organisations

their place in every general scheme to organise rural credit, regulate the market in agricultural products and control the conditions of production, life and labour of the peasant class. To judge by the experience already obtained in this field, such schemes would only stand to gain ; for the collaboration of co-operative organisations, with their principles and their independent management intact, would provide a valuable safeguard both against rash improvisation and against spiritless routine.

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